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**CONTENTS**

	<b>Page</b>
<b>How to Spot Counterfeit U.S. Banknotes</b> ... .. 3 by Jerry Remick	
<b>1952—Dated Macao Small Notes. A Mystery Solved</b> 7 by Antonio Miguel Trigueiros	
<b>History of the Province Bank of Kwangsi</b> ... .. 11 by King-On Mao	
<b>Y.M.C.A. Script in Russia</b> ... .. 24 by Victor Seibert	
<b>Promissory Notes—Lifeblood of Palestine's Trade</b> ... 28 by Franz Frankl	
<b>Collector—Dr. Mihaly Kupa</b> ... .. 34	
<b>The Man who Stole Portugal</b> ... .. 37 by Major Sheldon Carroll	
<b>8th I.B.N.S. Congress</b> ... .. 45	
<b>Spink Australia Sale</b> ... .. 45	
<b>Book Reviews</b> ... .. 49 by Roger Outing	



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(seven to be elected; vote for **seven or fewer**)

In past years candidates have usually been listed in alphabetic order, and voting returns have invariably favoured those people whose names place them near the top of the list! This year we have deliberately listed the candidates in mixed order. Please do not simply vote from the top down till your seven votes are used up. Please look over the **entire** list and make your choice from **all** the candidates.

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# How to Spot Counterfeit U.S. Banknotes

By Jerry Remick

An article in the October 1977 issue of PLAYBOY MAGAZINE estimated that nearly 50 million dollars worth of counterfeit United States banknotes were produced in 1975 and that about \$3.6 million of them were passed into circulation. Counterfeit U.S. banknotes are made and also passed into circulation in both the United States and in Canada. Nearly every commercial establishment in Canada accepts U.S. banknotes with a premium of about 10%.

Counterfeit U.S. banknotes are made in Canada as so far it has been impossible to counterfeit the multicoloured series of Canadian banknotes first introduced in 1969. Also Canadians are less familiar with U.S. banknotes so it is not difficult to pass a counterfeit \$20.00 banknote at a Canadian gas station, bar or small store where people readily accept the money not being aware of the counterfeit problem. Thus even the U.S. visitor in Canada should be on his guard against counterfeit U.S. banknotes when he receives them in change even from a bank or hotel.

I advise Americans visiting Canada to refuse to accept any denomination of the 1954 series of Canadian banknotes above the \$5.00 (each denomination has its own distinctive color and the multicolor Canadian coat of arms does not appear on the obverse) as these notes are now out of circulation except for the odd \$2.00 or \$5.00. Many of the specimens still in circulation could be counterfeit. In February 1978 the RCMP quickly stopped the flow of counterfeit 1954 series \$100 Canadian banknotes into circulation in Montreal.

Montreal seems to be the headquarters in Canada for the production of counterfeit U.S. banknotes. In December 1977 a hoard of \$600,000 U.S. \$20.00 counterfeit notes was picked in the suburbs of this city.

The Mafia and other large organized crime are not involved in counterfeiting as they want good clean banknotes for their transactions which are carried out in cash. It is usually the small time operator who approaches a printing establishment which may not be doing too well in business and together they turn out one or several million dollars worth of counterfeit notes with a minimum of equipment over a weekend. Its simple. A genuine note is photographed; plates are made; and copies are run off with high speed ultrasensitive lithographic



presses at the rate of up to 5,000 impressions per hour. However this is the easy part. Distribution is the difficult part and that's where most counterfeiters get caught. It takes a good nation-wide distribution system in order to get counterfeit notes of any quantity into circulation.

Until the U.S. Treasury Department includes on U.S. banknotes one or more of a number of new and sophisticated security or anti-counterfeit devices which are just about impossible for the counterfeiter to reproduce (tilt effect, multicolor in a small area, etc.), we will be faced with the continued production each year at an accelerated rate of counterfeit U.S. banknotes.

Agents of the U.S. Treasury Department and in Canada the R.C.M.P. cannot stop these operations as there are too many. However close examination by everybody of each U.S. banknote from \$10.00 up can slow down the flow of U.S. counterfeit notes to a mere trickle.

The \$10.00 banknote and now with inflation the \$20.00 banknotes are favourites with the counterfeiter as being small denominations they are easy to pass. However a good number of counterfeit \$50.00 and \$100.00 banknotes are being produced and passed.

Here's what to look for:

### **THE PAPER**

A genuine note is printed on a specially produced slightly cream colored paper with many very small red and blue fibres running through it. The fibres can barely be seen with the naked eye. However with the aid of a low power magnifying glass it is easy to tell if they are true fibres or printed on the note. Counterfeiters generally cannot procure this special rag paper with the red and blue fibres and so use a good quality white bond paper. Most counterfeit notes can be spotted by the absence of the red and blue fibres.

### **SHARPNESS OF THE PORTRAIT AND SCREENING**

Genuine banknotes are printed from engraved plates under 100 tons of pressure. This imparts a 3 dimensional life-like appearance to the portrait and a sharp quality to the lines in the fine screen mesh around the portrait. Run your finger across the portrait and surrounding screening and the denomination numerals on a genuine note and you can feel relief in these printed areas.

A counterfeit banknote is prepared by photooffset and photolithographic processes and so the printed matter is smooth. The portrait is generally flat and has a washed out or blurred appearance. It generally lacks the sharpness of the original and some of the fine lines of engraving such as those on the forehead are partly missing. Small blots of ink often fill some of the mesh of screening around the portrait; this is especially apparent under a low power magnifying glass.

If you are not sure, then fold the suspected note in half and compare the portrait side with the other half of a genuine note.

### **TREASURY SEAL**

The saw-toothed points on the Treasury Seal which occurs just to the right of the portrait are clear, sharp, pointed and even on a genuine note. The color is a good green.

On a counterfeit note the color of the Treasury Seal may appear somewhat washed out and weak; the printing of it is not as sharp; and the teeth on the edge will not be as sharp and clear as on a genuine note.

If in doubt fold your note in half at the Treasury Seal and compare it with the other half of the Treasury Seal on a genuine note of the same type.

### **SERIAL NUMBER**

Each serial number on a genuine note is different. The numerals are well aligned, evenly spaced, sharp, clear and printed in a good green color.

On a counterfeit note the same serial number will appear on many notes. It may not be well aligned, evenly spaced, sharp and printed in a good green color. Some counterfeiters use several to perhaps a dozen different serial numbers for any batch of notes they make but duplication of serial number is still apparent.

### **MATCHING FEDERAL RESERVE NUMBERS AND LETTERS**

U.S. banknotes are issued by 12 federal reserve districts, each district having its own letter of the alphabet which appears in the Federal Reserve Seal to the left of the portrait.

On a genuine note the letter in the Federal Reserve seal is repeated as the first letter in the green serial number and a corresponding Federal Reserve Bank number appears near the 4 corners on the obverse side. For instance, if the letter D appears in the Federal Reserve Seal then the numeral 4 appears near the 4 corners. Usually counterfeit notes agree with genuine notes on this point, but in some instances the counterfeiter is not aware of this numeral and letter agreement and will make an error.

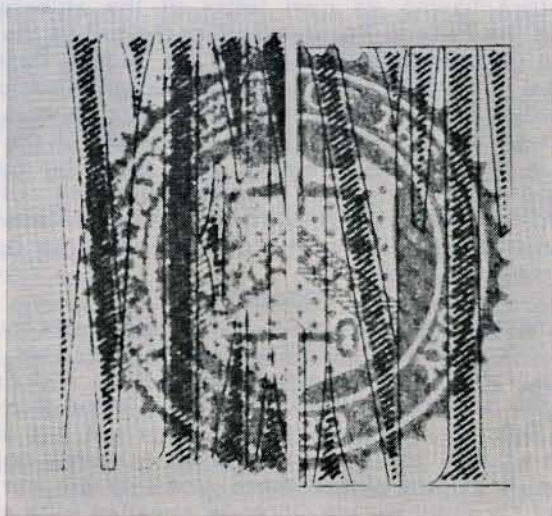
### **RESUME**

To make a long story short, with a low power magnifying glass look for the red and blue fibres in the paper and look for a clear sharp three dimensional portrait and fine sharp lines in the screening around it without blots of ink in the squares. Rub your finger across the portrait and screening around it as well as the denomination numerals to feel the engraving. If at first glance these elements are not present, then carefully compare your note in question with a genuine banknote following the points I have listed above. If you do this with every banknote from \$10.00 up that you receive, you will not get stuck with counterfeit U.S. banknotes and will help stop the flow of them into circulation.





Portrait of Andrew Jackson from a \$20.00 U.S. banknote. The right half is genuine; note the engraved lines in the face and its 3 dimensional aspect as well as the sharp lines in the screening. The left half is counterfeit. Note the washed out appearance in the portrait and the lack of fine line in it. Note also that the fine lines in the screening are not sharp and there are spots of ink filling some squares.



The Treasury Seal from a \$20.00 U.S. banknote which appears to the right of the portrait. The right half is genuine; note the sharpness of the pointed teeth and design. The left half is counterfeit; note that the teeth and design are not well defined nor sharp.



# 1952 Dated Macao Small Notes

## *A mystery solved*

By António Miguel Trigueiros (\*)

Readers will remember two articles published in World Coin News, August 2nd edition (page 29) and in August 30th edition (page 14) concerning a 1952 dated Banco Nacional Ultramarino 10 avos note for Macau, Pick 47 (2nd edition: unlisted in Pick's 1st edition).

In the first article, "MACAO NOTE A MYSTERY" appeared an illustration of one of the notes recently uncovered under Mr. Mati Titus' question: "genuine note, reprint or forgery?"

In the second article, "FAKE MACAO BANK NOTES FLOOD N. AMERICAN MARKET", the 1952-dated 10 avos notes are not anymore a mystery but considered as colour counterfeits according to an American "banknote authority".

This article is not written for such convinced "experts" and so called "authorities" in Portuguese notaphilics, but as general information as complete as possible for readers interested in knowing something more about this 1952-dated controversial Macao issue.

All the information below has been condensed and translated into English from the articles published by the author in the "Portuguese Numismatic Magazine-MOEDA", November 1974 edition (No. 4—II Vol., pages 11-20) and March 1976 edition (No. 10—II Vol., pages 23-26).

### A LITTLE OF HISTORY

Macao, now the only remaining overseas territory under Portuguese Administration, had it's first banknotes issued by the National Overseas Bank (Banco Nacional Ultramarino—B.N.U.) in 1905, following the opening of a B.N.U. branch in 1902.

The first issue was hand-dated September 19th, 1906, consisting of 1 and 5 patacas notes, printed in London. During the World War II, Macao issued local printed "Cédulas"—small denomination notes, as well as "Certificados"—certificated notes, due to the impossibility to receive fresh issues printed in the U.K., as usual, by sea. These small denomination notes (1 to 50 avos) were issued from 1942 to 1945 and have no date on them (Pick 23-32); however, after a careful study of it's characteristics (mainly colours and signatures), it has now been possible to know exactly which have been issued in 1942, 1944 and 1945.

At the time, Macao had no metallic currency of its own, the coins in circulation being from China and Hong-Kong issues.

In 1952 the Portuguese Government issued the first private coinage for Macao, consisting of 5, 10 and 50 avos, 1 and 5 patacas coins, which were received in the B.N.U. Vaults in May 23rd, being put in circulation in June 14th, 1952.

In February 1953, the B.N.U. branch in Macao received for the second time after the War, new notes printed in London and dated January 1st, 1952, with face values of 2, 5, 10 and 20 avos and following quantities:

2 avos— 600.000 (size 80 x 45 mm)

5 avos— 200.000 (size 90 x 50 mm)

10 avos—3.000.000 (size 100 x 55 mm)

20 avos—2.500.000 (size 110 x 60 mm)

Without bearing the printers name, this issue was attributed to Bradbury, Wilkinson & Co. Ltd., London, but the possibility of their having been printed by another British firm, Waterlow and Sons Ltd., cannot be excluded.

Readers must note that while the issuance of banknotes, representative of silver and gold values was a privilege given by the Portuguese Government to the B.N.U. since 1864, the issuance of "cédulas" notes have remained the prerogative of the Government, which in a special emergency occasioned due to shortage of circulating coins, had authorized the B.N.U. to issue them on behalf of the Government.

It means, "Cédulas" are not banknotes in the true sense of the word as they do not carry a metallic reserve (silver or gold) to guarantee it's face value; "Cédulas" are paper-money representing copper or alloy coins, the lowest denomination in the portuguese colonial monetary system.

And being so, a special law is needed to authorize it's printage and issuance by the issuing Bank, as it is usual with coins.

In this particular case, the law for the new 1952-dated "Cédulas" issue for Macau was published in August 8th, 1951 (law no. 13633), describing it's characteristics, sizes, colors, letterings, signatures, ornates, etc., etc.

On January 19th, 1952 a law was enacted concerning the 1952-dated first Macao private coinage and there one can read that the two new issues—"Cédulas" and coins—were supposed to be in circulation at the same time. But the "Cédulas" issue was not released into circulation when they arrived to Macao in 1953, as they were no longer considered necessary for the monetary circulation at the time. That data was taken from the original annual reports from the B.N.U.'s manager in Macao to the B.N.U.'s governor in Lisbon, which are kept in the B.N.U.'s Historical Archive in Lisbon.

The 1952 dated "Cédulas" issue was kept in the B.N.U. vaults in Macao as "reserve of issue" until 1957, when it was withdrawn.



Again, one must know that the balance of all B.N.U. banknotes issues after being withdrawn, was sent to Lisbon and burnt; but the balance of all B.N.U. "Cédulas" issues was destroyed by fire locally and the difference from the amount of "Cédulas" recovered and the total issue amount was paid by the B.N.U. to the Portuguese Government.

In this case, all the issue was left in vault and never released into circulation.

### **NOT A MYSTERY, NOT A FAKE**

An illustration of two of the printers "specimens" notes from this issue, 2 and 20 avos, appeared in MOEDA, March





1976 edition, page 33. The B.N.U. in Lisbon has this complete set and two other sets are known to exist in private collections.

It is then possible to compare the 10 avos unissued note recently uncovered with the 10 avos "specimen" note: the conclusion is, without any doubt, that the notes showing up from Hong-Kong sources are genuine, not reprints or forgeries.

As previously stated these notes were supposed to be destroyed but as far as we know, several were stolen from the bank and have remained all these years in private hands, before being sold in large quantities to Macao and Hong-Kong collectors and dealers.

We have contacted the B.N.U. branch in Macao as well as collectors in Hong-Kong and they confirm that the source of the notes is Macao, from an unknown person who sold the notes before leaving the territory.

Interested collectors in Portuguese banknotes and coins are kindly invited to contact the PORTUGUESE NUMISMATIC MAGAZINE—MOEDA, Rua Pinheiro Chagas, 28/2/E, Lisbon 1, for any question concerning Portuguese numismatics.

\*Editor of the Portuguese Numismatic Magazine, MOEDA; President of the Board of Directors of the NUMISMATIC CLUB OF PORTUGAL.

---

Trean,  
Tourmakeady,  
Co. Mayo,  
Eire.

Dear Sir,

I would like to ask I.B.N.S. members to help in research regarding the 1957 series of Bermuda notes (Pick 17–20).

In my own collection are two one pound's (Pick 19), the first B/2 553125 without any security thread, while the second J/2 268750 has one.

What I would like to find out is when this security thread was introduced with regard to the prefixes. And also if it was introduced in each denomination.

Could all members who have these notes, please send me a report of each denomination with serial numbers and indicating the security thread, present or not.

I will be most grateful for all members help, and will pass on my findings to the journal.

Yours faithfully,  
MICHAEL WELSH.

# History of the Province Bank of Kwangsi

By King-on Mao, Hong-Kong

## **(1) Kwangsi Government Monetary Bureau:**

Towards the end of the reign of Emperor Kuang Hsu, the Monetary Bureau of the Kwangsi Government was established. A lot of financial problems developed almost right from the start. There was no monetary reserve to speak of whatsoever; but the notes issued by the monetary Bureau were practically unlimited, with the highest issue of banknotes to the amount of 10,000,000 Yuan.

In first year during the reign of Emperor Hsuan Tung (1908), the Ch'ing Government ordered that all these notes be strictly recovered. The amount and quantity that were actually retrieved however, could not be known.

The Monetary Bureau went bankrupt following the start of the Kuomintang Revolution in 1911. A considerable quantity of the notes issued were still not recovered; and the Government did not pay much attention to these outstanding notes either. The notes, inadvertently, became worthless pieces of paper.

## **(2) Bank of Kwangsi (The First Bank of Kwangsi):**

Following the establishment of the Kuomintang regime, Lu Yung T'ing became the governor of Kwangsi Province. The Bank of Kwangsi was founded in the 1st year of the Republic of China; and Fan Ch'un-Nien was appointed General Manager. Fan was a native of San Hsi Shansi Province; and was an established financier.

This was the first time a bank was established in the Kwangsi Province. Qualified personnel with good banking experience were extremely limited. So most of the first employees of the Bank were, like Fan Ch'un-Nien, financiers from Shansi Province with some monetary background but with no real banking experience. For the same reason, the organisation and policies of the Kwangsi Bank at that time were similar to those of the money exchangers.

The Province of Kwangsi was subsidised by government taxes Shi'ia Hsiang (currency designated for military use) during the Ch'ing Dynasty. Following the switch of power to the Republic of China, all these government taxes were cut off. Those customs duties that were previously collected and reserved for appropriation in Kwangsi were recalled by the Central Government. Furthermore, military expenses of Kwangsi Province soared higher and higher as a result of the political instability of China at that time. There was no other way for the Kwangsi Provincial Government to alleviate their



financial difficulties other than to choose the last recourse of issuing an incessantly high quantity of paper-money. Since its founding until the 10th year of the Republic of China (1921), The Bank of Kwangsi had issued banknotes in denominations of 10 Yuan, 5 Yuan, 1 Yuan, 50 cents, and 10 cents; the total amount valued about 27,900,000 Yuan.

The area within Kwangsi Province where these notes could be circulated was too small compared to the incredibly large quantity of notes issued. Furthermore, the excess of imports over exports in Kwangsi led to the inevitable outflow of silver; the monetary reserve for the notes issued were thus highly vulnerable. Lu resigned as Governor of Kwangsi in the 10th year of the Republic of China (1921) as a result of the political upheaval within the province. This political transition was followed by a financial crisis; and a run on the Bank of Kwangsi finally caused the latter's bankruptcy and liquidation. All the notes outstanding once again became worthless paper.

### **(3) Bank of Kwangsi (The Second Bank of Kwangsi):**

After a few years of chaos and crisis, Kwangsi finally returned to a stable government. The new provincial government was determined to do a good job this time. With regard to economic policies, the new government ordered a gradual withdrawal of all poor-quality copper or silver coins that were still circulating in the market. New coins, known as the Chia Huo Hsin Hao, were minted in the new factory just set up in Wuchow; new and standardised conversion rates were also introduced. In addition, the Bank of Kwangsi was re-established in the 15th year of the Republic of China. Huang Huei was appointed Manager of the Second Bank of Kwangsi. In the first few years of the Bank's operation, Huang Huei supervised very closely the issuance of all the banknotes.

Perhaps the provincial government was too eager to see an early recovery of the economy; it made every effort to utilize the Bank of Kwangsi as a financial base for all the major undertaking within the province. So, during the period between the 15th year and March in the 17th year of the Republic of China, there was no appreciable increase in the cash reserve of the Bank. On the contrary, the Bank invested five to six million dollars in various businesses, the Construction Department was loaned 3 million, Treasury Department 4 million, investment in highways and other private or public business totalled another 4 million; so the total outstanding loan that the Bank held was over 15 million. More than half of these long term and short term credits were paid by means of new issues of banknotes.

In the 18th year of the Republic of China (1929) saw the rise of the Army to Defend the Party and Save the Country. A run on the Bank of Kwangsi thus forced its closing of business. Apart from the very minor quantity of notes which

had been retrieved before closing, there were still about 8 or 9 million dollars worth of banknotes floating around and could not be redeemed. Finally, in the 21st year of the Republic of China (1932), these outstanding notes were retrieved at 25% of their face value by drafts from the Gold Reserve.

#### **(4) Bank of Kwangsi (The Third Bank of Kwangsi):**

Political as well as economic instability persisted within the province of Kwangsi ever since the intrusion of the alien Army in the 18th year of the Republic of China. It was not until the successful expulsion of this "Army to Defend the Party" in the 20th year of the Republic of China before Kwangsi returned gradually to a stable government. And it was quite obvious at that time that the most effective way of increasing production and leading Kwangsi back to prosperity was to revive the Bank of Kwangsi—for the third time.

As an initial step, 3,400,000 dollars were collected from the issuance of a quantity of credit notes (Yen Ch'i). The cash so obtained was used as a founding trust fund for the Bank; and after slightly more than a year's preparation, the Third Bank of Kwangsi was established on August 1st, 1935 (the 21st year of the Republic of China). The Bank operated on a capital of 10 million dollars and was a joint investment of the (Provincial) government and many businessmen. The Bank's Charter declared unlimited liability of the government shares while mercantile shares were solicited on limited liabilities. The capital distribution was 51% for the government (thus amounting to 5,100,000 dollars) and 49% for the merchants (for a total value of 4,900,000 dollars of mercantile shares).

3,400,000 of the 5,100,000 dollars of the governmental capital was paid up by the cash previously collected from the issuance of credit notes. Mercantile shares were collected starting from July 1st, 1933 (22nd year of the Republic of China); and a total of 1,994,000 dollars were collected within the next three years.

In view of the previous mismanagement, special precautionary regulations were established when the Bank of Kwangsi began operation for the third time in 1932. First, the Bank would operate entirely independent of the Provincial Treasury, in order to draw a sharp demarcation line between the finance and the economy. Second, the government would be permitted to obtain only limited credit from the Bank, and this credit should not exceed 30% of the paid-up governmental capital. Third, the longest period of credit loan granted should not exceed six months in order to activate cash flow. Fourth, the Department of Note-Issue had to be proclaimed independent; and note-issues had to be strictly supervised. Fifth, a Board of Directors would be set up with the responsibilities of direct supervision and legislating the Bank's



policy. These operation policies were clearly more reliable, and the Bank's new organization were also better.

The history of the Bank of Kwangsi since its re-establishment for the third time in 1932 (21st year of the Republic of China) may be better described by identifying certain chronologically distinct "managerial eras". Each of these eras will be briefly accounted below.

**(1) Era of General Management (August, 1932—end of February, 1936):**

The Third Bank of Kwangsi was founded on August 1, 1932, with Head Office of the General Management stationed in Nanning. This Head Office was the center of the entire executive branch of the Bank at that time; but there were no external business operations at the time yet. The hierarchy of the Bank was rather simple. The Board of Shareholders constituted the highest authority of the Bank, and elected the Bank's Board of Directors, General Management, and a Supervisory Committee. The Board of Directors was empowered to legislate and to supervise at large; this Board was made up of from seven to nine members delegated by those government shareholders with unlimited liabilities. When the Bank was founded in 1932, the provincial government appointed a team of seven members as the Board of Directors: Huang Chi, Huang Chung Yueh, Liao Ching T'ien, Lin Hsü Ch'u, Liao Ch'ao Sung, Tan Mou T'sai, and Chang Chün Tu, with Huang Chi as the Chairman of the Board. The Supervisory Committee could not be set up at the same time as its members had not been elected. The General Management was directed by the Bank's General Manager and Associate Manager, both of whom were to be members of the Board of Directors. When the Bank was founded in August, 1932, Board Director Huang Chung Yueh held the post of General Manager while Liao Ching T'ien was Associate Manager. In March, 1933 (22nd year of the Republic of China), Huang Chung Yueh was appointed to head the Treasury Department and at the same time elected to Chairmanship of the Board of Directors of the Bank of Kwangsi. Pai Chi Peng then took on as the Bank's General Manager. Pai died in November the same year; thus putting the responsibilities of a General Manager on Liao Ching T'ien, the Associate Manager, until May, 1935 (the 24th year of the Republic of China).

The Board of Directors was re-organized in February, 1935. A Board Chairman and a Vice-Chairman were elected to assume the responsibilities of the Board and to act on behalf of all the Board members during the period of re-organization. A team of three Supervisory Members was also elected by the Board of Directors.

The second Board of Directors was thus organized on May 1st, 1935 (24th year of the Republic of China); with Board members Huang Chi, Liao Ching T'ien, Huang Chung

Yueh, Chang Chun Tu, Ma Wei Ch'ü, Wu Chun Jen, and Huang Shao Ch'ü. Huang Chi was elected as the Chairman of the Board, and Liao Ching T'ien its Vice-Chairman. The three Supervisory Members were Lei Shao Hsüan, Chang Kuang I, and Ho Shüeh Seng. Liao Ch'iao Sung was appointed General Manager of the Bank, with Li Shu and Tseng Ch'i Hsin as Associate Manager.

Shortly after the election of this new Board of Directors, the General Manager, Liao Ch'iao Sung, and a few of the Board Directors felt that in order to adjust to the changing situation of Kwangsi and to cope with the financial circumstances of the time, a change of the General Management "center" to a Head Office would be necessary. Furthermore, this new Head Office should move to Wuchow. These changes were quite well received.

**(2) Era of the Head Office (March 1st, 1936-end of June, 1936):**

The resolution for adopting the organizational changes mentioned in the previous paragraph was passed in the Second General Meeting held on September 4th, 1933 (24th year of the Republic of China). It was further resolved that the Head Office should move to Wuchow; and then eliminate the branch-office that had originally been operating in Wuchow. The assets and liabilities of that branch-office would accordingly be transferred to the new Head Office.

The era for a Head Office thus began on March 1st, 1936; and at the same time, the General Management of the (Third) Bank of Kwangsi moved from Nanning to Wuchow. The former branch-office in Wuchow was incorporated to form the Head Office of the Bank of Kwangsi.

**(3) Era of the Province Bank of Kwangsi (July 1st, 1936-December 31st, 1936):**

Almost immediately following the Bank of Kwangsi's reorganization, the provincial government ordered the separation of governmental and merchantile shares of the Bank. The governmental shares would be yielded to the provincial bank solely for the purposes subsidizing civic investments and moderating the province's economy. The merchantile shares would be used in setting up new business-operating banks serving primarily the role of "catalyzing" money-flow.

On April 1st, 1935 (24th year of the Republic of China), the provincial government appointed seven persons: Huang Chi, Chen Hsiung, Huang Huei, Lung Chia Hsiang, Liao Ch'iao Sung, Teng Kung Chih, and Hu Chên, as members of the Preparatory Committee for the Re-organization. At the same time, all the mercantile shares were withdrawn and liquidated, so that the Bank of Kwangsi now comprised only of governmental capital. The name was changed, accordingly, on July 1st, 1936 (25th year of the Republic of China), to the Province Bank of Kwangsi.



According to the new regulations, the Head Office of the Province Bank had to be situated in the provincial capital city. For this reason, the Head Office moved back to Nanning on July 1st; and then moved to Kuei Lin when the capital changed to Kuei Lin in October, 1936.

After this final re-organization the provincial government became the controlling authority of the Bank. The Managing Committee, the Head Office and the Supervisory Committee carried out the normal operations of the Bank and were directly responsible to the government. Members of the Managing Committee were appointed by the provincial government. It consisted of seven to nine "Managers"; with the Head of the Treasury Department (the Treasurer) as an *ex officio* Manager, and assuming Chairmanship in any committee meetings. The General Manager was the head of the Bank's Head Office; Head Office also had two Assistant Managers elected by the government from the members of the Managing Committee. The Supervisory Committee was made up of three to five members appointed by the provincial government. The Chief Auditor of the government would be an *ex officio* Supervisor.

Huang Chung Yueh was appointed Chairman of the Managing Committee; other members of the Committee were Huang Chi, Liao Ching T'ien, Wu Chun Jen, Chang Chun Tu, Ma Huei Ch'i, Huang Hsiao Shu, Chen Hsiung, Lung Chia Hsiang, Chao Ko Jen, and Kuei Ching Ch'iu. A total of eleven Managers.

Ho Shih Ching was appointed Chief Supervisor *ex officio* and Liao Ch'iao Sung and Hu Chên as Supervisors. Huang Chi was the Province Bank's first General Manager, while Liao Ching T'ien and Chen Hsiung became Assistant Managers of the Bank's Head Office.

Both the Managing and Supervisory Committees were very short-lived, however; they were dissolved by the end of 1936 when there was yet another re-organization of the Bank.

#### **(4) Return to the Era of joint Government-Mercantile Co-operation (January 1st, 1937-April, 1940):**

The formation of the Province Bank of Kwangsi rooted from an original suggestion of separating governmental shares from the mercantile shares. It was also planned that the money obtained from liquidating the mercantile shares would be used in preparing for and establishing a mercantile bank, to be called Hsing Yieh Yin Hang, which was to help to ensure an active flow of mercantile capital. These plans were completely abandoned soon after the Province Bank was formed; and all the preparation for the Hsing Yieh Bank was suspended.

In lieu of these plans, it was decided to make separate and independent the Department of Farmers' Village Economy in the Province Bank. This independent Department would then be expanded to become the Farmers' Bank of Kwangsi for the sole purpose of assisting and aiding development of

the farming villages. The Farmers' Bank was established on January 1st, 1937.

For the reasons mentioned above, Hsing Yieh Bank was never found, and the mercantile shares had not been withdrawn either. Thus, starting from January 1st, 1937 (26th year of the Republic of China), the Bank returned to the former system of government-mercantile co-operation. The name of the Bank was still Bank of Kwangsi; with Head Office opened in the provincial capital Kuei Lin. The Board of Directors for the Bank of Kwangsi after the latter's return to the joint system was also elected in January, 1937. The provincial government appointed a total of nine Directors: Huang Chung Yueh, Huang Chi, Liao Ching T'ien, Ma Huei Ch'i, Chang Chun Tu, Su Hsi Hsun, Hsieh Tsan Ying, Wang Sun Chih, and Sun Jen Lin. Huang Chi was also appointed as the Bank's Manager; while Liao Ching T'ien became Assistant Manager. There were three Supervisors: Liang Ying Chieh, Liao Pai Fang, and Huang Peng. In October, 1937, the government further added Wang Chih Hsin and Shen Jui Hsi to the list of Directors; and made Shen Jui Hsi Assistant Manager as well.

On the death of Board Director Ma Huei Ch'i in July, 1938 (28th year of the Republic of China), the provincial government appointed Lei P'ei Hung to fill that position. In August, 1939, Huang Chi, the Bank's veteran and Board Director and Manager, died; his position as Manager was later succeeded by Huang Huei.

#### **(5) Era of The Chairman of the Board of Directors (April, 1940-April, 1942):**

In an attempt to promote trade and boost the economy in time of war, the Kwangsi provincial government decided to merge the Kwangsi Farmers' Bank and the Kwangsi Trade Center to the Bank of Kwangsi in April, 1940 (29th year of the Republic of China). This also indirectly expanded the business volume of the Bank of Kwangsi; and the total capital was also increased to 15 million dollars National Currency.

In terms of business, the Bank of Kwangsi now adopted the policy of not extending credit loans to mercantile trades; but emphasized loans and investments on productive business in an attempt to promote production and economy build-up. It was learnt from experience that the small number of Board Directors had resulted in an over-burdened and insufficient supervisory personnel. In this re-organization, therefore, the number of Board Directors was greatly increased—to a total of 17 members. The secretary of the Kwangsi Provincial Treasury and the Head of the Construction Department were *ex officio* Board Directors; the other fifteen members were all appointed directly by the provincial government.

Apart from their supervisory responsibilities, Board Directors were also to manage the daily routine business of



the Bank. Seven members of the Board were elected as Executive Directors and were assigned regular office duties at the Bank. Both the General and Assistant Managers were responsible directly to the Chairman of the Board of Directors; and they carried out all the management duties of the Bank, in addition to making recommendations in Board meetings.

The Chairman of the Board of Directors of this Era was Huang Chung Yueh; and Chen Hsiung, Liao Ching T'ien, Chang Chun Tu, Chang Hsin Chêng, Shen Jui Hsi, Huang Huei were appointed to executive Directorships. Other members of the Board included Lu Chung Ch'uan, Hsieh Tsan Ying, Li Jen Jen, Chiu Ch'ang Huei, Sun Jen Lin, Wu Chun Jen, Ho Hai T'u, Lei P'ei Hung, Su Hsi Hsun, and Wang Chih Hsin. Five members of the Supervisory Committee were: K o Tê Chieh, Chang P'ei Yin, Huang Jui Chen, Chu Hung Han, and Liang Ying Chieh. Liao Ching T'ien was appointed as the Bank's Manager; and Li Hsu and Lung Chia Shiang served as Vice-Managers. There were two Associate-Managers: Teng Kung Chih and Lei Yuen Sheng.

#### **(6) Era of the Head of Bank (from May, 1942):**

In May, 1942 (31st year of the Republic of China), the provincial government of Kwangsi revised the Charter of the Bank of Kwangsi, re-organized the Board of Directors, and changed the structure of the Bank's system to one managed by a "Head of Bank". During the previous era of the Chairman of the Board of Directors, the General Manager had to follow the instructions resolved by the Board. In cases of more important issues, the General Manager had to wait for the instructions decided upon by the Board Chairman together with the elected Executive Directors, or, as was the case sometimes, the whole issue had to be brought forward for a discussion in a general Board Meeting. The advantages of thorough and planning and careful "checks and balances" were clear; but this kind of detailed procedural decision-makings had numerous draw-backs of its own in a ponderous hierarchy such as the Bank of Kwangsi. It was definitely very inefficient in terms of decision-making in such complex corporation like the Bank of Kwangsi. It was thus felt that this complicated and inefficient system of government was unsuitable for any further practising and a change should be made.

After the re-organization in May, 1942, the Bank turned to a system known as the "Head of Bank System". The Secretary of the Provincial Treasury of Kwangsi was to be an *ex officio* Board Director and presided over any general Board Meetings. The responsibilities of the Board of Directors included proposing and deciding the various operational policies of the Bank, supervising and enforcing all the Bank regulation, checking and auditing all the accounts of the Head and branch offices, drafting budgets for all the expenses and income. The daily routine business of the Bank would be managed directly

by the Head and Assistant Heads of the Bank with full authorization from the Board of Directors, but also with complete observance of the statutory regulations adopted by the Board. The executive aspects of the Bank under this new system turned out to be much more mechanical and efficient than the previous system.

The Sixth Board of Directors was formed in May, 1942; seventeen people, including Wang Sun Chih, Huang Chung Yueh, Liao Ching T'ien, Chu Ch'i Ming, Lu Ching Ch'uan, Wu Chun Jen, Chiu Ch'ang Hui, Su Hsi Hsun, Chen Hsiung, K'an Chung Hua, Sun Jen Lin, Shen Jui Hsi, Huang Huei, Li Jen Jen, Chang Hsin Chêng, Yang Ming Chao, and Chang Chun Tu, became Board Directors. The Supervisory Committee of five members was formed by appointments of Chang P'ei Ying, Chu Hung Han, Liang Ying Chieh, Kuo Tê Chieh, and Lei P'ei Hung. Huang Chung Yueh was named the Head of Bank, with Assistants Liao Ching T'ien, and Lung Chia Hsiang.

The policy of the Bank after the re-organization emphasized assisting production and purchasing properties as long-term assets. In a certain way, the organization became much more compact and thorough. Apart from an office for the Head of Bank, an Auditors' Office the Managerial Headquarters, the Head Office only retained three separate departments: for general business, savings, and trust. The former Development Office and the Public Treasury branch-office were incorporated into the General Business Department; and the Department of Warehouse was eliminated after its accounts had been transferred partly to the Kwangsi Bureau of Food Products and partly to the Trust Department.

When the Third Bank of Kwangsi was first formed in 1933 (22nd year of the Republic of China), the total authorized capital was intended to be 10 million dollars silver ( -Hao Pi): a total of one million shares at 10 dollars per share. However, the Bank started business when the total paid-up capital was only 3.4 million dollars; that was in 1933. From its start till the end of 1935, the Bank of Kwangsi collected an additional  $2\frac{1}{2}$  million dollars for selling another 250,000 shares. In May, 1936 (25th year of the Republic of China), the provincial government resolved to order that the total capital of the Bank of Kwangsi be changed to 20 million dollars Kwangsi Currency. By the end of 1936, an additional 613,650 dollars was collected, thus totalling 6,163,650 dollars. In April, 1940, the Provincial government revised the Charter of the Bank of Kwangsi, and reduced the total authorized capital to 15 million dollars. It turned out, however, that till the end of 1941 (30th year of the Republic of China), the total paid-up amounted to only 6,523,730 dollars National Currency. Of these six and a half million dollars, governmental shares totalled well over 5 million dollars while mercantile shares did not even reach the million-dollar mark.



The Charter of the Bank of Kwangsi was revised once again in May, 1942 (31st year of the Republic of China); but the authorized capital was to remain at 15 million. In an attempt to strengthen its financial reserve also to meet the requirements set forth in the Charter, the Bank of Kwangsi continued to collect capital investments. By the end of June in 1942, the total authorized capital of 15 million dollars was fully paid-up.

#### **(5) Province Bank of Kwangsi:**

After the War had been won in 1945, the Bank of Kwangsi re-structured its internal hierarchy and the various branch-offices in order to adjust to the necessary re-construction of Kwangsi Province. In 1946 (35th year of the Republic of China), the Bank of Kwangsi was renamed the Province Bank of Kwangsi; and also changed over from the system under the "Head of Bank" to one under the "General Manager". The Head Office remained at Kuei Lin, the capital of the province of Kwangsi; with a total authorized capital of 15 million dollars National Currency, fully paid-up. It was then a joint investment of the government and merchants. Of the 15 million dollars, the government invested 8,269,040 dollars while mercantile shares accounted for 5,608,460 dollars.

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Despite the relatively large quantities of notes issued by the Bank of Kwangsi, it has been an extremely difficult task to try to acquire any of the early issues of the Bank. Those notes issued by the Kwangsi Government Monetary Bureau have probably become extinct. The first Bank of Kwangsi was formed in 1909; any notes issued during this period were also of extremely high historical significance.

The following 5-dollar note is a rare issue; the interesting feature of the notes issued by the Bank of Kwangsi during this period is that these notes were printed by the Bureau of Engraving & Printing of Japan. A brief description of the note follows:



Obverse

Obverse: Elaborate frames with flowery geometrical pattern designs are in gray. The top right and the bottom left corners are taken by the Chinese characters "Wu" meaning "five"; corresponding to those Arabic numerals at the top left and the bottom right corners of the note. One red Chinese character is stamped at the centre of the top frame; it means "south" and refers to the capital Nanning. The four white Chinese characters found at the top centre constitute the name of the Bank. There are five brown coins designed in the centre: upper left, centre, and bottom right coins are the same, with inscriptions meaning "Shoe Money of Emperor Hsüan T'ung" and "minted in the Province of Kwangsi—worth K'u Ping Taels 7 Maces and 2 Candareens (equivalent value of 5 dollars in the Chinese monetary system)". The top right and bottom left coins have a dragon in each. The two large dragons on left and right are black; the seals in the centres of the dragons are red. The four white Chinese characters designate the face value of the note—5 dollars silver. Line of characters across the bottom frame indicates the year of issue and the terms of valid circulation. The bankground of the note is brown. Date of issue: 2nd year of Emperor Hsüan T'ung—1910.

Reverse: Light green frame encloses a piece of announcement on this reverse side. The important messages contained in it include the reasons for issuing these notes, the declaration that these notes are legal tenders, the Warning against any counterfeiters, red seals; black characters. Size: 106 x 168 mm.





Reverse

### THE MUNICIPAL BANK OF WUCHOW

Relevant records or history of the Municipal Bank of Wuchow cannot be found in any of the published history books on finance that are known to the author. As a matter of fact, the name of this particular Bank has never come across the author in the last 35 years that he has been in the field of paper-money collecting.

Specifically, between 1937 and 1939 when he was with the Department of Reconstruction in Kwangsi Province, there were no local banks per se in Wuchow or Nanning. The only bank that was in operation in Kwangsi at that time was the Bank of Kwangsi; and all the banknotes circulating in the Province were issued by the Bank of Kwangsi. The possibility of the actual existence of the bank cannot be ruled out, however, because the date of issue of this particular note, as we notice, is the 10th day of the 10th month of the 10th year of the Republic of China (October 10, 1921; October 10th is incidentally the anniversary of the Republic of China). The relevant issue thus remains an unanswered question; and the author would be most indebted to any of his better-informed fellow-collectors who might be willing to transmit any interesting facts about this particular Bank.

A brief description of this \$10 issue of the Municipal Bank of Wuchow follows:

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192943

Obverse

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192943

Reverse

Obverse: Rose-red with large Arabic numeral "10" in white at the bottom corners and Chinese character (Shih) (ten) at the top corners. The name of the Bank is printed in large style Chinese characters across the top central of the note as (Wu Chou Shih Li Yin Hang) (Municipal Bank of Wuchow). Scenic picture of a city view is found in the round geometrical figure at the center. Two value Chinese characters (Shih Yuan) (ten dollars) can be seen to the left and right of the rose-red scenic picture. Two special designs are printed in light grey between the value characters and the frames at left and right. "Ten Dollars" can be seen at the bottom centre, separating the Chinese characters on left and right. The phrase on the right designates the year of issue (10th year of the Republic of China), while that on the right may be translated to mean "pay the bearer on demand circulating silver dollars". Background is white.

Reverse: The entire design on the reverse is between light pale brown. The English name of the Bank is seen at the top centre frame; Chinese characters and Arabic numerals meaning "ten" can again be found at the top and bottom corners, respectively. The serial number (6 digits) is blue at the top left and right. Elaborate geometrical design in the centre carries four circle with figure "10" in white. Place name "Wuchow" is printed at the bottom right corner, while the date of issue can be seen at the bottom left. Colour: pale brown. Date of issue: 10th October, 1921. Size: 95 x 176 mm.

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# Y.M.C.A. Script in the Russian Civil War

Victor C. Seibert

The American Young Men's Christian Association stationed in Russia during the Russian Civil War and Foreign Interventionist Period (1917-1922) added its script to the hundreds of forms of script, notes and bonds issued by other agencies. The serious collector of Russian paper money knows that this period entails a never-ending search for specimens that have remained hidden to the collector and so consequently not listed in the various catalogues.

Some foreign countries involved themselves in the Russian Civil War and consequently had to send armed forces onto Russian soil. Their involvement was based on the following claims:

- (a) To stop the spread of communism.
- (b) Protect the war material they had sent during World War I as aid to their ally—the Czarist army before its collapse in 1917.
- (c) Protect the Czechoslovakian Legion being moved across Siberia.
- (d) Protect the different foreign industries and investments set up in Russia during the reigns of the czars.
- (e) Establish claims on portions of Russia; viz. Ukraine and the Baku oil fields.

So during this period were found English, French, American, Japanese, Polish, Baltic Countries', and other armed forces by the hundreds of thousands. And as usual wherever the armed forces were sent, the Young Men's Christian Association followed to administer to the armed forces' spiritual, physical, social, and mental needs. Whether the uniformed person was en route to camp, in training camps, en route to the front, on furlough, or on the field of battle, the Association was always there to help make an unbearable task more bearable.

The Young Men's Christian Association was housed in "huts". These huts were sometimes large commodious especially designed wooden buildings; sometimes luxurious private dwellings, castles or hotels, or sometimes as at the front, half-demolished barns, cellars, or even dug-outs. In the larger huts the military could enjoy the library, dance floor, gymnasium, or general relaxing rooms. Also the canteen was ever present. The Y.M.C.A. took over the burden of the Post Exchange and canteen from the shoulders of the Army so that the Army personnel could be released for military duties.

The Y.M.C.A. was released from this assignment on April 1, 1919. The Post Exchange included the delivery and sending of mail and some of the Y personnel wrote or read the letters for those in uniform that could not read or write. The canteen served a total of 159 different items. These were a few of those items and in the quantity used for one month's issue: 375,000 packages of cigarettes, 12,500 pounds of smoking tobacco, 100,000 bars of soap, 72,000 cans of milk, 10,000 tubes of toothpaste, 25,000 cans of canned fruit, 12,500 pounds of coffee, 1,000 sewing kits, 1,000 cans of insect powders.

The Young Men's Christian Association had 280 personnel in Russia scattered over 5,000 miles with the largest concentration being around Vladivostok. The "Y" supplies were transported to their different huts at the front in horse-drawn vehicles since motorized equipment was still a matter for the future. So it was a tremendous job to find vehicles and even roadways to supply the front line huts. The roads were usually a mass of shell holes, cluttered with demolished and abandoned armament, and even crowded with military personnel and supplies being hurried to the front line trenches. It was fortunate, indeed, if they could go one kilometer per hour.



The "Y" personnel also acted as the banker and depository for the soldier by sending home his check or depositing it to his account. It also provided entertainment by noted personnel. Portable kitchens were established at the very front to serve hot soup and sandwiches to those that could not be sent back from the battles.



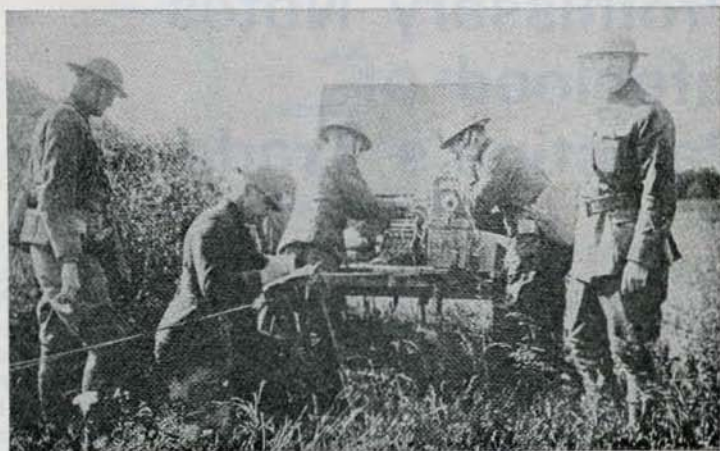
Some of the items dispensed by the "Y" could not be procured so it entered into the manufacturing business. The following were some of the items made by the Y.M.C.A.: chocolate cream bars, chocolate, chocolate nut rolls, caramel, biscuits, and jam. Even stationery was manufactured from wood pulp, lamp black, gum arabic, and talc. It bore the customary red triangle.

In Russia the Y.M.C.A. served the military under such generals as Denikin and Wrangle of the Southern Army, Col. Miller's Northern Russian Army, which fought around Murmansk and Archangle; and General Graves and General Oi in Eastern Siberia whose headquarters were near Vladivostok.

As the uniformed came to the "Y" hut he was charged actual cost plus insurance costs, Personnel costs and profits were not added to the cost of the items. The officers were charged one-half kopek more than the price marked. This amount was collected by the Kitchen Committee and converted to script. This script was then available to those in uniform that had no money to purchase his needs from the canteen. Donations from the home front also was used in small part toward this free script.

The Young Men's Christian Association script exhibited herein was issued by the hut at Vladivostock sometime between 1917 and 1922. It is 65 mm x 43 mm in size and .004 inches thick. It is yellow-greenish in color and originally was printed in one rouble denomination. However, an authorised "Y" person has changed it to "50 kopek" valuation and initialled the change. The legend on the obverse reads as follows: "X.C.M.L. Canteen checks 1 rouble. Good only when presented at Y.M.C.A. canteen by allied soldier or military in uniform." The reverse is blank, and it does not contain a watermark. The official "Y" triangle in faint blue appears on the obverse. The changed 50 kopek denomination is in indelible purple underscored with two red lines. The "one rouble" is stricken through in red.





The Y.M.C.A. spent \$2,878,736.11 in free services in Russia. Most of it from huts at Yeniseisk, Irkutsk, Orenburg, Tomsk and in the Transbaikai Province. Their services were available to any uniformed person regardless of his nationality as long as it was an allied uniformed person. The Young Men's Christian Association gave every consideration possible for the happiness, comfort, and amusement of the uniformed during the Russian Civil War.

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# Promissary Notes— Lifeblood of Palestine's Trade

By Franz Frankl

Arriving in the early 1930's Central European immigrants were surprised by the manifold use of Promissory Notes (P.N.) in Palestine. In Central Europe the laws regulating P.N. were the most severe, in Palestine, however, P.N. were used for almost any kind of transaction—it seems they were not only a substitute for cash but created it. Since the British conquest of Palestine the economy was slowly building up. In the 1920's the "Russian" immigration, while many went on later to North America, was the first impetus; after 1933 the "German" aliyah put Palestine's economy into high gear, this at a time when the rest of the world suffered from a severe depression.

P.N. were used in Palestine long before the 1930's. On January 4th, 1904 Zalman D. Levontin wrote in a letter (German) to Dr. Theodor Herzl (1):

"... on December 31st we (APAK, Jaffa) made a detailed inventory of cash, foreign coins, securities and P.N. ... mailed to the London Head Office ..."

Only a few months old, the Jaffa APAK office was holding a portfolio of P.N! It is a sign of the confusing monetary conditions under the Turkish rule that the bank had to make an inventory of cash as well as of "Foreign Coins" circulating in the country. Important merchants had their personalized P.N.-forms, mostly with a logo or a guilloche, on the Hebrew and Arabic forms this was to the right of the text. The smaller merchants had no personalized forms, and before printed neutral forms were obtainable they took any kind of writing paper, usually 210 x 110 mm, wrote the whole note by hand with signatures on the required revenue stamps (Fig. 1). After settlement of the notes the signature often was voided by tearing it and the stamp, at least part of it, out. The fact that many of the P.N. in the 1920's were in Arabic is no proof of transactions between Arabs; many of the older Jewish merchants were of oriental origin, fluent in Arabic and often had "oriental" names. The settlement of "Arabic" P.N. was often handled by Jewish or European (Barclay's) banks who also discounted the notes if so wanted, f.i. the "Arabic" note of Fig. 1 bears the Hebrew/English rubberstamp of a Jewish bank. About 1929 printed neutral forms became available, with some kind of a guilloche for inserting the name; sometimes one finds a P.N. with an Arabic name written out in

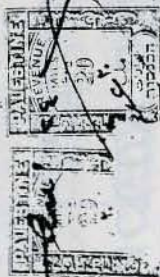
Abd. Razaq Khan - Jil.  
% Ahmad Raj Shakhin - Pers.

فلسطين  
" ٨٠-١١

25/12/28

نقصاً لوزن فلسطيني في

ام لوزن له ١٠٠٠ تنوع في حيا دور في اعمدات الح  
وغير القية طمنا نقدا



9839

Fig. 1. LP80—for 90 days. Palestine Mercantile Bank



No.  TEL-AVIV 17 NOV. 1933 ~~1934~~ L.P. 71  000  
1000

At 31<sup>st</sup> August, 1934  promise to pay  
to the order of the **SOCONY-VACUUM CORPORATION** the sum

of Seventy one Talster pounds only

Value received in Benjic

Payable at



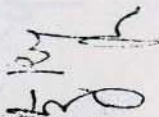
  

Fig. 3. for 8½ months, Barclays Bank.

SOCONY VACUUM CORPORATION

Exchange for \$45.97 U.S.Cy. Cleveland, Ohio Aug. 3, 1937. 17

NINETY DAYS AFTER SIGHT of this

First of Exchange (second unpaid) pay to the order of

CENTRAL NATIONAL BANK

*of Cleveland, Ohio, U.S.A.*

[illegible]

Value received and charge same to account of.

To A. B. Brassard

P. O. Box 1524

No. 8713-6/D  
HAIFA, PALESTINE

## EXPORT MANAGER

ENTERED

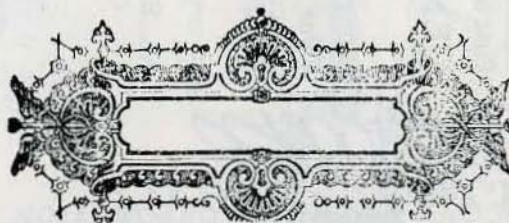
1000000 50 THE

WILCHEK TOOL COMPANY

*Fig. 4. 90 days, Banco di Roma.*







Edith, ELIAHU Bros.  
Jaffa, Haifa, Tel-Aviv

No. 4)



62872

914.258.00

JUL - 2, 1937

promise to pay to the

On the 1<sup>st</sup> of July 1937

order of Mr. F. B. Breda

at

the sum of

Two hundred and forty Nine marks

Value received

to satisfaction



Fig. 5. 125 days Templar Bank. The rubber stamp across the face says: "prohibited goods in Haavara-Mark . . . payment exclusively through Templar Bank at official rate."

Hebrew letters—this is for easier accounting by the settling bank.

In the 1920's and before P.N. were drawn up to 60 days; once the business activity in the country picked up "good" customers got easier terms (Fig. 3). Imported goods usually were paid for in 90 days (Fig. 4); with the world-wide deterioration of the economy competition forced exporters to accept terms of up to 195–210 days (Fig. 5). The arrival of the German immigrants started a building boom, sales by land developers shot up as well; the Arab riots of 1936 interrupted the boom only for a while. The use of P.N. was crucial for the growing real estate sector of the economy; a land developer could sell a migrash (plot) on installments of 24 months; if his credit was good he could discount the notes with his bank. Many rentals of stores and apartments were paid for P.N. for the duration of the lease. If the landlord needed money before the due dates of the monthly payments, he could discount the notes.

Halvaah and Hissachon Cooperatives (Savings—Loan) granted small personal loans against a P.N. All the borrower needed—same as in the U.S.A. and probably anywhere else—were two cosigners of his note. In the 1930's such loans amounted to LP three-five, payable in monthly installments of one LP; in the 1920's loans were granted in the same way for even smaller amounts. Halvaah Vehissachon, Jaffa, one of the first credit institutes in Palestine granted in 1925 loans of less than Egypt. Pd. One, payable "on sight".

It is not possible to show the backs of all illustrated notes with the cachets and stamps of the banks handling the notes; it is also not possible to enumerate the different validities etc. From the small amounts on all illustrated notes one can easily understand how much the economy depended on the notes. Without the widespread use of P.N. the rapid development of Jewish Palestine in the 1930's would have been impossible. (1) 1902–1977 "Photos and Documents", Bank Leumi Le-Israel B.M.

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**Collector—**

**Dr.**

**Mihaly Kupa**

I was born in Siklo, County Arad, Hungary on December 22nd, 1906 and began to collect stamps, coins, medals, military insignia, decorations and paper money as a 10-year-old schoolboy. I obtained my material from various sources—my father, my relations, the Jewish civil refugees of Galicia, Bukovina in 1915, soldiers and war invalids who travelled through the railway station of Honcto—home of a Hungarian Red Cross Organization during World War 1. At this point I too, along with my school friends, was a Red Cross Youngman. For this service I was later to receive Red Cross decorations from the Austro-Hungarian Monarchy, the German Empire and the Prussian Kingdom.

In 1926, I completed my studies at the Gyula high-school and in 1928 studied law at the university of Pazmany Peter in Budapest, becoming Doctor Of Law in 1934 and later, in 1940, Doctor Of Politics. In 1938, I completed my studies at the Academy Of Commerce in Budapest and in the same year became an employee and later branch manager of the Pesti Hzaí Elso Takarekpenztar-Egyesulet, The First National Savings Bank Corporation Of Pest. After the nationalisation of the main banking establishments in 1948, I worked at the Hungarian National Bank as a managerial member of the boards money circulation department.

During the so-called "personal cultus", I was thrown out of the National Bank and between 1953 and 1958 worked as a factory hand in the United Building Joiner Enterprise rising to managerial positions in various national enterprises. In 1967 I was pensioned.

I married Kalotaszegi Erzsebet Klara in 1940 and now have 3 children, Mihaly Tamas Csaba, born 1941 and now a public economist holding the degree of doctor of economy

since 1975; Ildiko Klara Anna, born 1945, married to Kreko Belo—both she and her husband are public economists—and Laszlo Geva Levente, born 1953, a law student in Budapest.

On February 12th, 1945 I was captured as a 1st lieutenant in reserve Batalion Commander by the Soviets in Budapest and not repatriated until 1947. During the siege I was slightly wounded three times and received a few war decorations.

In 1928, I collected paper money and began to deal with the problems and history of money in a scientific manner. Initiating my collection in 1916, my financial resources required that I restricted my collecting interests to the former Austro-Hungarian Monarchy and Independent Hungary. I collect foreign currency only for types. Through my interest I have established a constant and ramifying connection with other notaphilists both at home and abroad—exchanging my duplicates and improving my own collection. The most valuable items of my collection were destroyed by the bombing during the besiege of Budapest, leaving only the cheaper items. I have succeeded, however, in replacing some of the destroyed notes—my collection consisting now of more than 17,000 pieces.

As for research, I have written roughly 7,000 numismatic articles. My main work, the first ever complete catalogue of the paper currency of the Austro-Hungarian Monarchy (1703–1918), Independent Hungary (1918–1964) and the Kossuth Period (1848–1866) is *Magyarország Papirpenzei* (Paper Money Of Hungary 1703–1964) is written in 2 volumes but is now out of print and has been so for the last ten years. At the moment, I am working on a fully illustrated catalogue of Hungarian Paper Money—*Corpus Notarum Pecuniarium Hungariae* and afterwards I shall be undertaking work on a further catalogue—*Corpus Notarum Pecuniarium Monarchiae Austriensis Ac Hungariensis*.

For the I.B.N.S. I have compiled a paper money catalogue of Czechoslovakia, Slovakia and the Protectorate of Bohemia and Moravia 1918–1975. More than 260 articles of mine have appeared on the pages of *Coin World*, *World Coins*, *Numismatic Scrapbook Magazine*, *Paper Money*, *International Bank Note Society*. . . . The important articles are "The Great Inflation Of The World In Hungary 1945–46". . . . I am preparing at the moment "The Coinage Of The First Hungarian King—Stephan I (1000–1038), Emergency Paper Money Of The Great Inflation In Hungary 1945–46 amongst others.

I have arranged around 12 numismatic exhibitions both from my own and various public collections. The most interesting of these was "Ketszaveves a hazai Papirpenz 1760–1960"—Two Hundred Years Of Hungarian Paper Money"—located since 1960 at The Hungarian National Bank.

I personally have an extensive numismatic library of



more than 1,000 books—excluding periodicals. During my time at the Hungarian National Bank, I worked also as the numismatic advisor of the bank's museum—this museum housing the second largest public paper money collection in Hungary. According to the decree of the Hungarian Labour Ministry I was numismatic expert between 1963–1972.

In 1954 I gave my collection to my children and began to channel my attentions to numismatic literature, although now I collect old cheques and obligations of Hungary.

I have given 53 numismatic lectures on different themes 19 of those abroad—Austria, Czechoslovakia, Germany and Poland. For all my work—collecting and research I have received the following awards—

- 1965 Silver Diploma and Meda 1 from Italia Numismatica.
- 1968 Diploma And Medal From Hungarian Numismatic Society For Working About Society.
- 1969 Diploma And Medal From Hugarian Numismatic Society For Scientific Research.
- 1972 Diploma From Numismatics International For Numismatic Articles.

I have been a member of the Hungarian Numismatic Society since 1938 and from 1968–69 I was chief secretary of the Autonomous Numismatic Department Of The Hungarian Archaeological, Fine Arts, Historical and Numismatic Society as well as a committee member between the years 1949–69. I established the Hungarian Labour Committee Of Paper Moneys History in the Society in order to research the Hungarian as well as Austro-Hungarian currency problems. From 1956 I was the editor in chief of AZEREM—The Medal.

# The man who stole Portugal

By Major Sheldon S. Carroll, Bank of Canada

*We are pleased to publish the paper presented at the Banquet of T.C.C.'s Annual Show held at the Royal Oak Hotel on September 24, 1977 by the Curator of the National Currency Collection, Bank of Canada, Ottawa.*

Probably none of you have ever heard of Alves Reis. Certainly, I had not until I read the book "The Man Who Stole Portugal" by Murray Bloom, published in 1966. Alves Reis was the most daring counterfeiter that the world has ever known. He didn't try to produce his own printing plates and, thereby, run the risk of having his notes recognized as counterfeits by some eagle-eyed cashier or banker. No, he ordered his notes from one of the most prestigious printing firms in Great Britain and had them printed from the same plates as the genuine notes were. During a short period of only two years, from 1924 to 1926, Alves Reis, a man with little formal education and almost bankrupt by means of an audacious plan, became the richest man in Portugal, founded a bank, established overseas trading companies, bought up most of the mining companies in Angola and almost gained control of the Bank of Portugal. As a result of these activities, the Bank of Portugal was severely shaken, the Portuguese government fell, a revolution followed and the British bank note printing firm, which had printed the notes, suffered serious financial losses and eventually disappeared from the scene.

Artur Virgilio Alves Reis was born in 1896 into a middle-class family. At the time when Alves was ready for university, his father lost the family savings in the Portuguese Petroleum Company, which drilled too many dry holes in search for oil in Angola. Alves completed one year of a course in practical engineering, then gave it up and married in 1916 at the age of twenty. In August of that year, Portugal entered the First World War on the Allied side and Alves, being a married man, was able to avoid military service in favour of a civil service job in Angola, Portugal's most important African colony. Before departing for Angola with his bride, Alves decided that his civil service career would be enhanced and his advancement expedited if he only had a university diploma. He now began to show the ingenuity which later made him famous. He fabricated a magnificent diploma from the Polytechnic School of Engineering of Oxford University, a school that did not exist. The diploma carried a gloriously imaginative gold seal of Oxford University and the stamp of the Polytech-



nic School of Engineering. For those who wouldn't fully trust a foreign diploma, he had it notarized by a Portuguese notary.

In Angola, he was given a position with the Department of Public Works approving building plans and sewage layouts. As the only man with an Oxford diploma in Angola, he was soon given an additional job as supervising engineer in the local railway repair shops. He had some engineering aptitude and he soon became known as the man who made the trains run. Inside of two years, he was made Inspector of Public Works and Chief Engineer of the Angola Railways. Civil service salaries were low and Alves Reis wished to be rich so he resigned from his government posts and formed an importing and exporting company. In 1922, he returned to Lisbon with a fortune of 600,000 escudos which would be about \$45,000 at that time. His firms prospered moderately and he bought control of the Royal Trans-African Railway Company of Angola, known as Ambaca, which had run into difficulties. Its stock was practically worthless but Reis had learned that the company had a reserve fund of \$100,000 intended to pay off bond coupons. With control of sufficient shares, Reis was able to get himself elected President of the company. He was able to use his reserve fund to buy control of the South Angola Mining Company. In July, 1924, Reis was arrested for embezzlement. He spent 54 days in jail. Finally, his case was heard and the charges were reduced from embezzlement to fraud. He was released from jail on bail and by selling all his personal property including cars and jewellery, he was able to make restitution. He was now penniless again but the 54 days in jail had not been wasted because he had worked out the most daring scheme that any man had ever concocted.

Portugal was in bad financial shape at that time. The Bank of Portugal had the sole right to issue bank notes in that country, to the amount of twice its paid up capital. Most of the Bank's stock was held in private hands and the government itself controlled the rest. Reis had learned that by 1924, the Bank, in order to accommodate a hard-pressed government, had issued notes to the extent of more than a hundred times the Bank's capital. Every time the government was hard up, it merely turned to the Bank of Portugal and ordered it to issue more bank notes. Since the bank notes were not convertible to gold or silver, the only expense involved was the cost of printing.

The plan that Alves Reis worked out in prison was rather simple. He produced a forged document by which the Bank of Portugal authorized a group of international financiers to produce a special issue of bank notes for Angola to the value of £1,000,000 in return for a loan of £1,000,000 to that colony. He typed the document in both Portuguese and French, on stamped paper that must be used in Portugal for all busi-

ness contracts. On the document, he carefully forged the signatures of the Minister of Finance and the High Commissioner of Angola.

In order to carry out his plan, Alves Reis brought in three accomplices. They were Jose Bandeira, a Portuguese businessman, Karel Marang, a Dutch trader and Adolph Hennies, a German businessman. All four had been involved in various international importing and exporting deals. Jose Bandeira had the added advantage of being the younger brother of the Portuguese Minister to the Netherlands, Antonio Bandeira. Marang had the added advantage of having some capital which was essential to get the scheme off the ground as Alves Reis was broke after his release from prison. Adolph Hennies, who had lived for several years in Brazil, spoke perfect Portuguese. Because of his service during World War I with the German Purchasing Commission and the German Secret Service, he had useful contacts throughout Europe.

After considering various possibilities, it was decided to have the notes printed by Waterlow and Sons, Ltd. of London, England, a firm who had already printed some notes for the Bank of Portugal and who had the plates for the 500 escudos note dated 1922, the note which bears the portrait of the great Portuguese explorer, Vasco da Gama. The conspirators chose Karel Marang to negotiate the contract with Waterlow. In December, 1924, he visited that firm and was received by its President, Sir William Waterlow. Marang carried with him a letter from Antonio Bandeira, the Portuguese Minister to the Netherlands, and the forged contract prepared by Alves Reis. Marang explained that he was a member of a Dutch syndicate coming to the aid of Angola whose finances were in a bad way. Marang explained that the syndicate was going to advance \$5,000,000 to Angola and, in return, the Bank of Portugal was going to permit the syndicate to issue a special printing of bank notes which would be over-printed ANGOLA when they reached the colony. Marang also told Sir William that great secrecy must be maintained about the matter since the Banco Ultramarino was normally the only agency that could issue bank notes for the Portuguese colonies. A further complication was that two brothers served as directors of both the Banco de Portugal and the Banco Ultramarino, consequently, the directors of the Bank of Portugal had not been let in on the secret. As a matter of fact, only the governor and the deputy governor of the Bank knew of this deal, it was claimed.

Sir William examined the contract and appeared satisfied with it. He did state, however, that they would require the authorization of the Bank of Portugal to use their plates for this new issue of notes. Marang said this would be done. Back in Lisbon, Alves Reis produced the necessary authorization and added the signature of the Governor of the Bank



of Portugal by tracing the signature from a Portuguese bank note.

In January, 1925, the first agreement with Waterlow was signed. By the end of February, the firm would print 200,000 notes of 500 escudos each at a cost of £1,500. The notes were to be delivered to Marang, who would arrange for their shipment to Portugal. The notes were packed in leather suitcases and transported to the Hague with no trouble as Marang had a diplomatic passport. It was decided that the notes would be taken from the Hague to Lisbon by Marang and Jose Bandeira, both of whom, were provided with diplomatic passports by Antonio Bandeira, the brother of Jose who was Portuguese Minister to the Netherlands.

Fortunately, there was in Portugal at this time, a very large black market in escudos. This black market was centred mainly in Oporto, the port from which most of the port wine exported from Portugal is shipped. Reis recruited a crew of black market currency men to assist in exchanging the new crisp 500 escudo notes into hard currency such as U.S. dollars and British pounds. These were then deposited into special accounts which Reis opened. Another way of disposing of their escudo notes was to open about a dozen bank accounts in Lisbon and Oporto. They would deposit a quantity of their newly printed notes into these accounts and then later make withdrawals hoping to get notes that had been already circulating in Portugal. At one bank, a teller became suspicious of such a large number of crisp new 500 escudo notes being deposited to one account so he sent two of the new notes to the head office of the Bank of Portugal. The notes were returned with the comment that they were genuine and could be accepted without fear.

A month later, Marang and Jose Bandeira picked up the second shipment of 30,000 notes from Waterlow's and transported them to Lisbon in two tan leather suitcases. At about this time, Marang, who had been a benefactor of the Dutch Red Cross, was chosen to represent the Dutch Red Cross at the celebration of the 60th anniversary of the Portuguese Red Cross. In this capacity, he was given the task of carrying gifts from the Dutch Red Cross to the President of Portugal, Teixeira de Gomes and also a silver plaque from Prince Henry of Holland, the consort of Queen Wilhelmina. On this occasion, Marang himself was honoured by the Portuguese Red Cross by their highest award and the Portuguese government conferred on him the Order of Christ. The following week, Sir William Waterlow, the President of Waterlow & Sons, saw in a newspaper a picture of Marang receiving the award from the President of Portugal. If Sir William had ever had any doubts about this Dutch businessman whom he believed was acting as an agent of the Bank of Portugal, they were now put to rest.

Alves Reis now found himself in the position in which he could get even with some old enemies. He still felt very bitterly against the directors of the Ambaca Company who had sent him to prison. With some of his new wealth, he bought the controlling interest in Ambaca and at the next annual meeting, he had those directors thrown out. He was also in a position to adopt the type of life style that he had always wanted. He purchased a four-storey mansion in Lisbon and spent £5,000 furnishing it. He also bought £10,000 worth of jewellery for his wife, purchased several automobiles and engaged a large staff of servants.

One month later, Adolph Hennies brought next shipment of 40,000 notes to Lisbon. In a period of only four months, the four conspirators had put 70,000 new notes into circulation. Several banks became alarmed at so many new notes being deposited and sent packages of them to the Bank of Portugal. There, the Bank's counterfeit expert checked them, re-checked them, measured them, magnified them, took samples of the ink and smelled them. He pronounced them genuine. The Bank of Portugal sent a discreet letter to all banks in Portugal informing them that recent rumours about counterfeit notes were completely unfounded.

In April, 1925, the four conspirators met at Claridge's Hotel in Paris to plot their next moves. Reis had decided that it would be much easier to put their new notes into circulation if they owned their own bank. He, therefore, proposed that they should obtain a charter for a new bank to be known as the Bank of Angola and Metropole. Through this bank, they would be able to dispose of the rest of the bank notes and, in addition, the bank would be the instrument for investing in real estate in Portugal and for acquiring control of certain Angola corporations. Then Reis revealed his real aim to his fellow conspirators: gain control of Portugal through obtaining control of the Bank of Portugal. Jose Bandeira was put in charge of a programme to purchase every share of Bank of Portugal stock as it became available on the market. Once they had a majority of the shares and could get themselves elected to the board of directors, they could regularize their authorized issues and all evidence of their illegal activities would be removed.

The charter for the Bank of Angola and Metropole was granted in June, 1925. It was at about this time that Reis discovered that they had 90,000 notes which it would be unwise to issue. The Bank of Portugal notes all had two letters at the beginning of the serial number. Reis discovered that the Bank never used double vowels in front of the serial number and that the series for the 500 escudo notes ended at AN. His 90,000 notes either had double vowels in the serial numbers or were lettered beyond AN. This meant destroying



notes with a value of approximately \$2,000,000. It was now time for a new order of notes.

Reis produced forged letters from the Governor of the Bank of Portugal to Waterlow and Sons authorizing them to start work on a new order of 380,000 bank notes to be delivered as before through Karel Marang, their agent in The Netherlands. The purchasing of shares of the Bank of Portugal on the open market was going on but going on slowly. The Bank had 97,000 shares outstanding. In order to gain a majority of the shareholders notes, they had to buy at least 45,000 shares. Taking care not to unduly upset the market, "our boys" had been able to acquire only 7,000 shares. It was decided to step up the campaign.

In the meantime, the new Bank of Angola and Metropole had opened offices in Lisbon and Oporto and branches in the main cities of Angola. Their very own bank soon acquired controlling interests in companies which owned palm-oil factories, copper mines, copra plantations, railroads, etc. In October, 1925, Reis and Hennies went to Angola to check over their investments there. Alves Reis was received with great publicity and every honour that the colony could give him. He was referred to as the "Cecil Rhodes of Angola".

While all was going so well in Angola, all was not going well back in Lisbon. An official at the Bank of Portugal had discovered several 500 escudo notes with duplicate serial numbers. Obviously, one note of each pair was counterfeit but they still could not tell which was which. Since it was known that large quantities of crisp new 500 escudo notes had been passed out by the new Bank of Angola and Metropole, the police raided that bank and found great quantities of new unissued notes. These were seized and taken to the Bank of Portugal where they could be compared with new notes that had never left the Bank of Portugal. More and more duplicate notes were discovered. The men behind the Bank of Angola and Metropole were suspected of counterfeiting and orders went out for the arrest of Alves Reis, Jose Bandeira, Karel Marang and Adolph Hennies. Reis and Hennies were on board the S.S. Adolf Woerman on their way home from Angola. Friends got word to them that they would be arrested when they reached Lisbon. When they arrived in the Harbour, Hennies persuaded the captain to let him go ashore in the pilot boat and he escaped. Alves Reis decided to risk arrest and he was convinced that he could somehow brazen his way through the troubles that lay ahead. Reis was arrested and thrown into jail. He immediately decided that if he were to be humiliated, he would bring down a number of bureaucrats with him. He was determined to attack people in high places such as the Governor and Vice Governor of the Bank of Portugal and the High Commissioner of Angola. He had always been jealous of those who held high positions.

The Bank of Portugal decided to immediately withdraw from circulation all 500 escudo notes of the 1922 series. Long lines formed outside of the offices in banks in both Lisbon and Portugal and riots broke out in the streets. Rumours spread throughout Portugal that several directors of the Bank of Portugal had been part of the conspiracy. Waterlow and Sons were informed that they had been guilty of printing unauthorized bank notes for the Bank of Portugal. The Governor of the Bank of Portugal was arrested and put in jail but released shortly after on orders of the President.

Alves Reis was still an influential citizen and he was able to have himself moved into comfortable quarters in the jail and to have unlimited visits from friends, relatives, lawyers, etc. He began to produce a flood of falsified documents, letters and receipts showing that several directors of the Bank of Portugal had been involved with him. Several were arrested but released from jail shortly after. Jose Bandeira was arrested but was not so fortunate and was to stay in jail until his trial. Karl Marang was in Holland where he determined to remain. The Board of Directors of Waterlow & Sons held a series of meetings because they knew that their firm was facing serious troubles. Sir William Waterlow came under increasing fire from his fellow directors for allowing himself to be duped. Sir William went to Lisbon to see what could be done but the directors of the Bank of Portugal refused to see him. Public opinion was so strong against him that he was forced to leave Portugal under an assumed name to escape being mobbed.

As the full enormity of the conspiracy became known, all of Portugal was rocked by the scandal, General Gomes da Costa organized a revolution and seized power. Professor Antonio de Oliveira Salazar was made Minister of Finance. A few years later, Salazar became Premier and dictator of Portugal and remained in power from 1928 until his death a few years ago.

At about this time, Karl Marang was arrested in The Hague. He was brought to trial about a year later. He was convicted and sentenced to eleven months in prison but since he had already served eleven months in jail awaiting trial, he was released. He moved with his family to Paris where he went into the manufacturing business and died many years later a rich man. Hennies had fled to Germany where he lived out his life under an assumed name. He died in poverty.

Back in London, things were not going well for Sir William Waterlow. The Bank of Portugal entered a suit against the firm of Waterlow & Son.

After two protracted trials followed by an appeal to the House of Lords, judgment was awarded against Waterlow & Son in the amount of £610,392 plus court costs of £95,000—a very large sum in those days. During the next few years, the business of the firm fell off badly as foreign governments



were reluctant to trust their business to a firm which had shown such poor judgment. In 1959, the firm showed a loss of £252,000. In 1961, their bank note printing business was purchased by another very large British firm of security printers, Thomas de la Rue.

Alves Reis and the two Bandeira brothers were held in jail for five years. Finally, they were brought to trial in 1930 in what has been called the strangest trial in Portugal's history. A special court was convened by the President of Portugal. The President of the court was a justice of the Supreme Court and the jury consisted of seven additional judges. During the trial, 85 witnesses were heard. The trial lasted for over six weeks. Alves Reis spoke for five hours in his own defence and accepted full responsibility for his crime. The accused were found guilty. Alves Reis and Jose Bandeira were sentenced to eight years in prison to be followed by twelve years of exile in the colonies. Antonio Bandeira, the diplomat, was sentenced to six years in prison to be followed by ten years of exile. Reis' self-confidence never left him, even in prison. Shortly after he began his sentence, rumours spread throughout Lisbon that an elaborate plan had been made to assist Reis to escape. The Warden had a search light focused at night on the window of Reis' cell. He asked to see the Warden and told him "If I wanted to escape, I would first speak to you, Mr. Warden. I am not the type to scale walls. If I get out of here, it would only be because I bribed you. So, please, will you remove the search light so I can sleep at night." The search light was removed.

Alves Reis was released from prison in May, 1945 just as Lisbon was celebrating the end of the Second World War in Europe. During his years in prison, he had become interested in religion and so, on his release, he became a lay preacher in the Evangelical Church. As the church paid only his travelling expenses, he had to find a way of making a living. His three sons had built up a small importing-exporting business and so the father worked for them but the business did badly. In 1947, he had his first heart attack. His health continued to deteriorate until 1955 when he had his last heart attack. He was buried in a pine coffin which cost \$25.

So ended the man who nearly stole Portugal!

## **8th I.B.N.S. European Congress**

The Eighth I.B.N.S. European Congress will be held on Sunday, 24th September, 1978 at 10 am. at the Victory Services Club, 63-79 Seymour Street, London W.2, England. There will be two outstanding lectures including one by G. Grant on English Provincial Paper Money. There will be a Banknote Display Competition which is open to all. Mrs. E. Salter of 38 Clyde Road, Croydon, Surrey, U.K. (Telephone: 01-656 2219) will be pleased to receive your exhibits upon your arrival at the Congress on 24th September.

There will be an Auction. All lots for inclusion in this Auction be sent to David Keable, 69 Elmfield Way, Sanderstead, Surrey, U.K. (Telephone: 01-657 7543) by 30th June, 1978. There will also be Raffle with lots of mystery prizes to be won, Dealers tables etc. The programme is sure to appeal to anyone with an interest in Banknote Collecting. Everyone is welcome whether a member of I.B.N.S. or not. Admission Fee will be 50 pence payable on arrival. For further information, please contact the Congress Chairman, Mr. Suresh Gupta, 135 Stanstead Road, London SE23 1HH, England (Telephone: 01-291 1710).

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## **Spink Australia Sale**

**27th OCTOBER, 1977 SYDNEY AUSTRALIA**

The paper money section of the sale consisted of an outstanding collection of Australian pre-Commonwealth and Commonwealth banknotes together with an exceptional collection of New Zealand banknotes.

The Australian section of the sale started at lot 80 with a nice selection of promissory notes from New South Wales and Van Diemens Land (Tasmania). Highlights included lot 85 5/- 1815 signed by Sam Foster and sold for \$440 on a \$400 estimate. Lot 89 Lempriere & Co. four Spanish dollars 1823 made \$300 on \$250 estimate. Lot 95 John Lepine 10/- 1823 \$320. The majority of this section sold around estimate.

The Australian Commercial banknotes started with lot 111, the Bank of Australia 1 pound of 1838 which realised \$750 being the only known example of this type.

Lot 112 the Oriental Bank Corporation 1 pound of Sydney fetched \$650 on a \$400 estimate. Lot 116 The Commercial Bank of South Australia 5 pound of 1878 sold for the estimate of \$800, the only known issued note of this type.

Lot 120 Commercial Bank of Sydney 10 pound 1878 sold for \$650. Lot 121 C.B.C. of Sydney 1 pound of Sydney 1889 for \$500 on a \$400 estimate. Lot 129 The Government of New South Wales, Treasury Note for 1 pound sterling dated 1893 was one of the highlights of the sale and was finally





*Douglas Liddell (left), Managing Director of Spink & Son London with Jim Noble, Managing Director of Spink & Son Australia.*



*Australian banknote collectors Roy Brooks (left from Toowoomba, Queensland, and Mick Vort Ronald of Port Pirie, South Australia (center), with Queensland dealer Brian Berghoffer.*

knocked down for \$4,200 on an estimate of \$2,500. Lot 135 the rare Colonial Bank of Australasia Ltd. 1 pound of 1908 Melbourne branch brought \$1,250.

The unissued and specimen note section, lots 137 to 157 was generally disappointing with many notes selling below estimates. This follows previous trends for collectors to prefer issued notes in preference to the unissued specimen notes. One exception in this section was lot 156 the Government of New South Wales specimen treasury note 1 pound of 1893 selling for \$480 on an estimate of \$300. Lot 157 a selection of 9 specimen postal notes brought \$230 on a \$50 estimate.

The Commonwealth of Australia superscribed notes lots 158-165 sold well with most lots going for well over the estimates. Lot 158 the Bank of Victoria one pound brought \$800 (estimate \$600). Lot 159 C.B.C. of Sydney 1 pound \$600 (estimate \$450). Lot 160 E.S. & A. Bank 1 pound \$950 (estimate \$500). Lot 161 London Bank of Australia Ltd. 1 pound \$600. Lot 165 Union Bank of Australia Ltd. 1 pound "Adelaide Branch" \$1,200 (estimate \$600).

The Commonwealth notes lots 166 to 247 showed a trend to stabilise at a level of more than twelve months ago and now may not increase significantly until a new demand materialises. Although a relatively thin market all the expensive items sold quite well at about their estimate. Lot 167 ten shillings R2a in fine condition realised \$1,200 (estimate \$800). Lot 184 1 pound R19a in fine sold for estimate of \$2,000. Lot 195 emergency 1 pound "Rainbow" issue variety without "No." in serial number (R18) probably finest known specimen sold \$3,500. Lot 207 5 pound R37a (with no mosaic of fives on the reverse) sold for estimate of \$2,000. Lot 222 Collins & Allen 10 pound R51, very rare, brought \$6,000 (estimate \$5,000). Lot 232 20 pound the rarest type note, R65a, brought \$7,000. Lot 233 50 pounds in good EF \$1,600 lot 234 100 pounds R69b EF brought \$3,400 (estimate \$2,500).

The highlight of the paper money section of the auction was undoubtedly the Commonwealth of Australia Treasury note for German New Guinea, ten marks 1914. The first specimen ever offered at public sale, brought \$7,000.

Lot 254 the first cheque of the Commonwealth Bank of Australia Serial No. 1 dated 20th January 1913 sold for \$2,500 which maybe a world record for a modern bank cheque.

The private trading notes lots 255-265 generally all sold well with many selling above estimate.

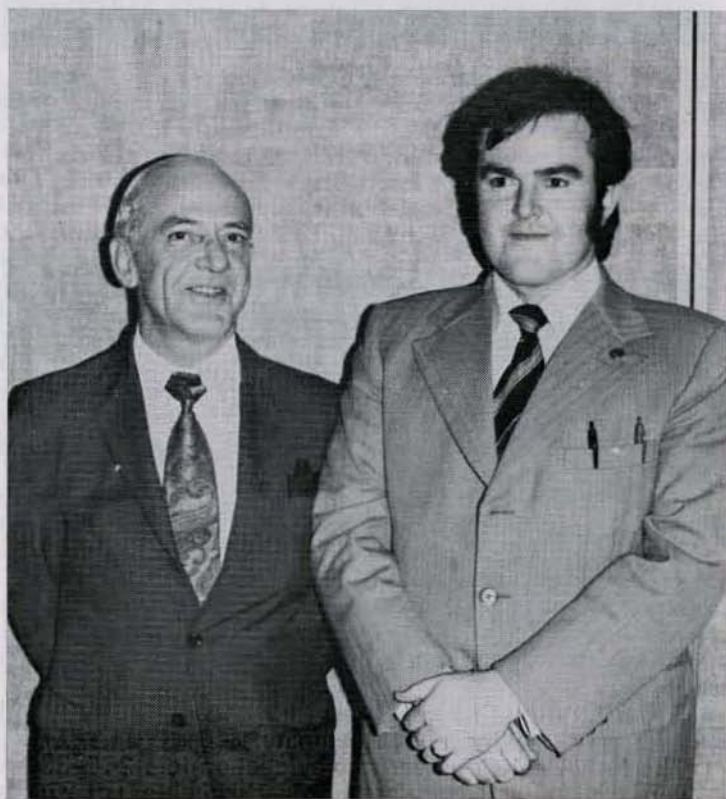
The New Zealand paper money section lots 266-330 all sold very well, the majority selling over estimate. Lot 270 the very rare Colonial Bank of New Zealand 1 pound of Dunedin of 1889 brought \$1,500 (estimate \$800). Lot 276 Bank of N.S.W. 10 pound 1918 sold for \$750. Lot 287 The National



Bank of New Zealand 10 pound 1912 Wellington Branch brought \$1,000 (estimate \$600). Lot 291 and 292 Commercial Bank of Australia 1 pound 1919 both in UNC sold for \$650 and \$600 respectively on \$400 estimates. Lot 310 Bank of New Zealand 10 pound 1916 nearly EF realised \$800. Lot 326 Bank of New Zealand 1 pound original paste-up in UNC (circa 1880's fetched \$700.

The New Zealand collection of notes was by far the best collection sold by public auction in recent times.

Copies of the catalogue plus prices realised are both available at U.S. \$11.00 air mail from Spink & Son (Australia) Pty. Ltd., 26 O'Connell Street, Sydney, 2000, Australia.



*Melbourne dealers Phil Downie (left) with his son Ken from the firm of P. J. Downie.*

## Book Reviews—by Roger Outing

**Collecting Banknotes of the World** by Colin Narbeth, 32 pages, 31 illustrations, 75 pence, published by and available from Stanley Gibbons Publications Ltd., 391 Strand, London, WC2R 0LX.

A general introduction to collecting word banknotes with advice and comment on Rarity, Forgeries, Stamps as Money, Inflation, Military Issues, Signatures, Art on Banknotes etc. A source of reliable information at a modest price and fledgling banknote collectors are not likely to find better value for money. As an aid to continuing research a comprehensive listing of available books is included.

**Soviet Numismatics, Vol. 1, The Primoryan Rouble's Fight for Survival** by N.Navolochkin, 31 pages, 18 illustrations plus 3 maps, published by and available from Andrew Publishing Co., 61 St. Johns Street, London, EC1M 4AN (approx. £2.95p.)

An essay which gives background information and full details of nine banknotes which were issued in the Vladivostok region during 1920. A fascinating account of fiscal conflict with Japanese and Chinese businessmen and the full story of how the Primoryan paper rouble persisted in spite of competition from other currencies. The text is in Russian and English, the translation presumably accounting for the somewhat high cost. Illustrations are good including the obverse and reverse of each of the nine notes discussed together with translation of each text. For an essay of such limited scope the price is high and perhaps only the avid Russian collector will consider this good value for money, but it nevertheless is a commendable effort in providing the English reader with much needed information on the regrettably obscure Russian issues. This is the first of five proposed Russian translations—watch this column for further details.

**Guide to the Currency of Ireland—Consolidated Banknotes 1929–1944** by Derek Young, 64 pages, 57 illustrations, £2, published by and available from Stagecast Publications, 15 Eaton Square, Monkstown, Dublin, Ireland.

Between 1929 and 1941 eight banks in Eire were authorised to issue banknotes of uniform design overprinted with names of the individual issuing bank. These issues are popularly called the 'Ploughman' notes because of the agricultural scene depicted on all the notes and this catalogue by Derek Young is the first detailed listing of these issues. Full background information is given before a detailed listing of the individual banks and valuations are quoted for three conditions, 'F', 'VF' and 'EF'. The illustrations are adequate but do not give proper credit to the fine design of these issues



and in any future edition better quality illustrations would be a worthwhile improvement. As the first detailed catalogue of the series it contains much detailed information not previously available to collectors and represents a most useful addition to notaphilic literature.

**The Standard Catalogue of Provincial Banks and Banknotes** by G. L. Grant, 180 pages, 89 illustrations, hard cover, £9.75p, published by and available from Spink & Son Ltd., 5-7 King Street, London, SW1Y 6QR.

Amongst the committed enthusiasts of the English Provincial Banknote Series this catalogue by Geoffrey Grant, the very first of its kind, will be received with the gusto of a starving man at a banquet—it tastes all the better for the waiting.

The various and seemingly multitudinous issues of Private and Joint Stock Banks of England and Wales (Isle of Man and Channel Islands are not included) issued since the early 18th century are here listed in as much detail as present information allows. The catalogue section is in three parts; Private Banks, Joint Stock Banks and Sundry Issues, listed in alphabetical order in each case. Valuations throughout the book are for notes in 'Fine' condition. Sensibly the author has listed all banks regardless of whether they actually issued notes or not so that the complex network of failures, closures, mergers etc., all meticulously cross-referenced in the text, can be traced to the present 'Big Five' High Street banks of the U.K.

There are two introductory chapters on "Provincial Banks and Banknotes" and "Banks and the Law" which give full and concise background information necessary for full appreciation and understanding of the issues.

The illustrations are of excellent quality and are presented in the form of an appendix to the book which has never been my favourite method of illustration but doubtless cost factors were an influence here.

As a first edition this is an impressive publication and will doubtless stimulate interest in this particular collecting area.

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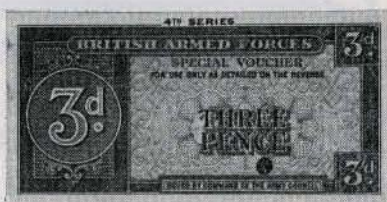
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